

**Opening Statement of  
Chairman Henry J. Hyde  
Before the Full Committee Hearing  
“A Resurgent China: Responsible Stakeholder or Robust Rival?”**

**Wednesday, May 10, 2006**

Deputy Secretary Zoellick, we are pleased to have you here today. You are well-known as a leading architect of the Administration's China policy. Your extensive knowledge of trade policy is also germane to our hearing.

Many in Washington have been discussing the policy implications of a “rising” China. I, however, see this phrase as a misnomer and prefer the word “resurgent.” “Rising” implies that China is emerging for the first time on the world's stage. However, an exhibit held two years ago at Chicago's Field Museum, titled “Treasures of the Forbidden City,” pointed out that, while our Founding Fathers were waging their struggle for independence in 1776, China was already not only the most populous, but also the wealthiest, nation in the world.

From this apex of cultural, political, and economic influence, China plunged rapidly into two centuries of chaos involving war, famine, and revolution. Now, as this new century dawns, China has re-emerged into its traditional position of influence in Asia and the world. The Chinese people, while still suffering a sense of victimization from the periods of unequal treaties, the Opium War, the Nanjing (NAN-JING) Massacre, the Cultural Revolution, and the Tiananmen (TEE-EN-AH-MEN) Massacre, look now to a new age. The Summer Olympics of 2008 is their symbol of this national re-emergence from a dark cocoon of decline and isolation into the light of international recognition.

Yet, we cannot gloss over the many issues that continue to divide us from the leadership in Beijing. You, Mr. Zoellick, are famous for having coined the phrase “responsible stakeholder” last year with regard to American hopes for this resurgent China. Many in the Congress, however, retain a healthy skepticism as to whether this is possible. Some even fear that China, instead, will emerge as a robust rival.

Will Beijing assume the role of a responsible stakeholder when Iran's increasing nuclear recklessness requires the imposition of economic sanctions by Security Council Permanent Members, including China? Will Beijing put aside its quest for energy in Sudan to join the international campaign to stop the genocide in Darfur? Will China move beyond playing host at the ongoing tea party called the Six-Party Talks to put economic pressure on Pyongyang, its longtime ally? Will it ensure that North Korea makes a real commitment to end its nuclear program, to desist from counterfeiting American currency, to stop persecuting its own citizens, and to stop kidnapping citizens of its neighbors, including one with relatives in the State of Illinois? Will China suspend its missile buildup across from Taiwan as a confidence building measure? I fear the answer to all of the above is, “No.”

Yet, while China marches with increasing confidence onto the stage of the twenty-first century, America's attention is diverted. We have focused most of our military strength and spent much of our national treasure on the prolonged conflict with radical Islam. We all understand the implications of September 11<sup>th</sup> and what they require. My concern, however, is that in a few decades younger Americans will awaken, like a tired Richard the Lion-Hearted returning from the battle for Jerusalem, to find themselves threatened on the homefront as debtors at the mercy of creditors in Beijing.

The President mentioned in his State of the Union address that, "America is addicted to oil." I would add that America is also addicted to the label, "Made in China." We now have a negative savings rate for the first time since the height of the Great Depression. That was a time when, as I recall, jobless people lined up at soup kitchens.

Last year, our trade deficit with China was a record – over two hundred billion dollars transferred across the Pacific to pay for our national buying binge. This level of trade imbalance does not seem sustainable year after year without ultimately impoverishing our children. Yet, according to reports, no concrete measures to address this critical trade issue came out of the recent White House meeting between President Bush and the Chinese President. Well, if there is no action soon to alleviate this trade crisis, then the U.S. Congress will have to act.

While we are distracted, Beijing is using a siren song of moderation to further isolate Taiwan. Beijing is also playing the history card to great effect with South Korea. As a World War II veteran, I am well aware of the history of the Pacific War and know that the truth will prevail. But Beijing should remember that people who live in glass houses shouldn't throw stones. I am concerned that, as a result, the ripe apple of South Korea could soon fall into the lap of China. I fear that a future American generation may awaken from its Pacific slumber to find our influence removed entirely from the Asian mainland. Then a politically unreformed and assertive China could be calling the shots in the most vibrant economic region of the world. I paint a bleak, but hardly implausible, picture.

I would like to end on a more positive note. Last month, I met the new Pope, Benedict 16th, in Rome. The Holy Father's prayer intention for the month of April was "that the Church in China may carry out its evangelizing mission serenely and in full freedom." It is certainly the sincere wish of us all that China will have a new dawn where human rights and religious freedom are fully respected.

Mr. Zoellick, we welcome your comments on how China can re-emerge as a responsible stakeholder and not as a robust rival of America and its values.

I now recognize my friend, Mr. Lantos, the Ranking Democratic Member, for any remarks he may wish to make.